

AMENDED IN ASSEMBLY APRIL 1, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2549

Introduced by Assembly Member Ridley-Thomas

February 21, 2014

An act to add *and repeal* Section 53083.2 to of the Government Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 2549, as amended, Ridley-Thomas. Redevelopment: City of Milpitas.

Existing law dissolved redevelopment agencies and community development agencies as of February 1, 2012, and provides for the designation of successor agencies, as defined. Existing law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations, as defined, perform obligations required pursuant to any enforceable obligation, dispose of all the assets of the former redevelopment agency, and remit unencumbered balances of redevelopment agency funds, including housing funds, to the county auditor-controller.

This bill would authorize the City of Milpitas, *on or before April 1, 2015*, to organize an independent local-agency commission, composed of the city manager, as an *ex officio* member, and 7 specified members appointed by the Milpitas City Council, to investigate and study the consequences of the dissolution of redevelopment on employment, revenues, and economic activity in order to identify and recommend ways to raise revenues for specified purposes.

This bill would repeal these provisions on January 1, 2017.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City of Milpitas.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The dissolution of redevelopment by the state has been
4 devastating in the City of Milpitas (city) and to its citizens.

5 (b) As a result of the dissolution of redevelopment, the city has
6 lost \$39 million in annual local tax revenues.

7 (c) The dissolution of redevelopment has degraded public safety
8 in the city as the city has cut employment. Since the 2011–12 fiscal
9 year, the city has laid off 110 employees, including 12 firefighters,
10 and has been unable to fill 147 other positions that would otherwise
11 had been filled, including 13 police officer positions.

12 (d) The dissolution of redevelopment has stopped investment
13 in previously approved critical infrastructure in the city. ~~\$220 two~~
14 *Two* hundred twenty million dollars worth of road, water, and
15 sewer improvements located within the redevelopment project
16 area, which had been approved in the capital improvement plan
17 of the city, cannot be constructed. Other projects, including
18 infrastructure projects have been delayed due to significant funding
19 shortfalls in the city's general fund to maintain streets. With the
20 elimination of redevelopment, the city's annual shortfall to
21 maintain its Metropolitan Transit Commission-mandated Pavement
22 Condition Index goal of 70 is \$4 million per year.

23 (e) The dissolution of redevelopment has stopped previously
24 approved development projects in the city, including a 120-room
25 hotel and a low- and moderate-income senior housing project.
26 With respect to the latter project, the project developer had agreed
27 to employ 100 full-time medical and caregiver positions. Both
28 projects had completed permits and land use reviews, including
29 reviews under the California Environmental Quality Act.

30 (f) The dissolution of redevelopment has spurred litigation
31 between the city, which was the second largest redevelopment
32 agency within the County of Santa Clara, as the state and county
33 have sued the city for \$55 million.

1 (g) The city desires to settle its litigation with the state and the
2 county, ensure the greatest amount of citizen participation to
3 increase economic activity in the McCarthy Ranch area of the city
4 near the Newby Island landfill in order to find new revenue sources
5 to replace the funds, restore losses of firefighters and police
6 officers, maintain and upgrade critical infrastructure, and generate
7 employment and economic activity through previously approved
8 private investment.

9 SEC. 2. Section 53083.2 is added to the Government Code, to
10 read:

11 53083.2. ~~The~~ (a) *On or before April 1, 2015, the City of*
12 *Milpitas may organize an independent local agency commission*
13 *to investigate and study the consequences of the dissolution of*
14 *redevelopment on employment, revenues, and economic activity*
15 *in order to identify and recommend ways to raise revenues to*
16 *increase city staff to adequate levels, to invest in infrastructure*
17 *and development projects, and to settle claims against the city by*
18 ~~*the state and the County of Santa Clara.*~~ *increase economic activity*
19 *in the McCarthy Ranch area of the City of Milpitas near the Newby*
20 *Island landfill.*

21 (b) *The commission shall be composed of seven people*
22 *appointed by the Milpitas City Council, as follows:*

23 (1) *One member of the business community who is also a*
24 *member of the Milpitas Chamber of Commerce.*

25 (2) *One employee of the City of Milpitas Fire Department.*

26 (3) *One employee of the City of Milpitas Police Department.*

27 (4) *One member of a local union that is unaffiliated with public*
28 *employee unions representing workers for the City of Milpitas.*

29 (5) *One owner of real property within the McCarthy Ranch area*
30 *of the City of Milpitas near the Newby Island landfill.*

31 (6) *Two residents of the City of Milpitas.*

32 (c) *The city manager of the City of Milpitas shall be an ex officio*
33 *member of the commission and report on the commission's*
34 *activities to the Milpitas City Council.*

35 (d) *The commission shall elect its own chairperson.*

36 (e) *Within one year of the City of Milpitas forming the*
37 *commission, the commission's authority shall cease.*

38 (f) *This section shall remain in effect only until January 1, 2017,*
39 *and as of that date is repealed, unless a later enacted statute, that*
40 *is enacted before January 1, 2017, deletes or extends that date.*

1 SEC. 3. The Legislature finds and declares that a special law
2 is necessary and that a general law cannot be made applicable
3 within the meaning of Section 16 of Article IV of the California
4 Constitution because of the unique circumstances in the City of
5 Milpitas, where parcels on the west side of Interstate 880 and to
6 the east of Coyote Creek in the McCarthy Ranch area of Milpitas
7 near the Newby Island landfill, the San Francisco Bay area, and
8 the regional water pollution control plant face particular challenges
9 to economic development as a result of their restrictive location.

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